

**Testimony of Congressman Robert C. "Bobby" Scott**  
**Hearing on "Constitutional Solutions to our Escalating National Debt: Examining**  
**Balanced Budget Amendments"**  
**Committee on the Judiciary**  
**2141 Rayburn House Office Building**  
**Thursday, July 24, 2014**  
**10:00 a.m.**

Thank you, Mr. Chairman. I am pleased to be here today to discuss the idea of a balanced budget amendment to our Constitution. Reducing our deficit and balancing our budget is a goal of every member on this panel, but I worry that we often get distracted by the title of these amendments without having a serious discussion about whether or not the proposed provisions will actually help balance the budget. If we are going to balance the budget, it's going to require members to take some tough votes. And many of these votes will be career ending votes.

One of my first consequential votes in this body was on the 1993 Clinton Budget. That budget included tax increases and spending cuts, many of which were at the time very unpopular. Not one Republican voted for the '93 Clinton Budget and Vice President Gore even had to cast the tie breaking vote in the Senate. When the 218th vote was cast in the House by then-Congresswoman Marjorie Margolies-Mezvinsky, Republicans on the floor did not say "way to go" but instead said "you got to go" and chanted "Bye Bye Marjorie." That vote was used to defeat Congresswoman Margolies-Mezvinsky and fifty-three other House Democrats the following year. That is what happens when you cast tough votes that will actually balance the budget – some members will lose their seats. Needless to say, that 1993 vote was a tough vote, but it helped create millions of new jobs, the Dow Jones Industrial Average more than tripled and it led to the first balanced budget in a generation with surpluses large enough to have paid off the debt held by the public by 2008.

The fact is that many of the proposed balanced budget amendments would make it all but impossible to pass a deficit reduction plan similar to the 1993 Clinton Budget. Several proposals require a two-thirds majority of both the House and the Senate to enact a revenue increase. Sometimes revenue increases are necessary in order to reduce the deficit or to shore up financing for important programs, like Social Security, Medicare or the Highway Trust Fund. A supermajority requirement would make such necessary revenue increases impossible to enact and it would obviously make it more difficult to balance the budget. Limiting revenue increases may be a desirable policy for some members but suggesting that it would actually help balance the budget is just absurd.

Almost all the proposed amendments require that a budget not in balance can only be passed by a three-fifths majority of the whole number of the House and the Senate. Every budget considered by the House earlier this year, and in fact nearly every budget considered over the last decade, was not balanced in the first fiscal year. Each of these budgets, including the Republican/Ryan budget and the Republican Study Committee budget, would have required a three-fifths majority under the provisions of many of these proposals. The Republican/Ryan budget, which purports to reduce the deficit, narrowly squeaked through the House with only 219

votes. It should be obvious then that a tough deficit reduction plan would be harder to pass with a three-fifths supermajority rather than a simple majority.

Now, proponents of these balanced budget amendments will argue that their proposals include a 5 year window from the time of ratification until the provisions of the amendment take effect. This so-called "glide path" would supposedly give Congress the necessary time to "make the tough choices" to slowly bring down outlays (or perhaps increase revenue) in order to meet the requirements of the amendment, but none of them require Congress to make that type of progress. Had a balanced budget amendment been ratified in 2014, almost every budget offered in the House this year was not balanced in the 5th fiscal year when the provisions of an amendment would have taken effect. Only one budget would have balanced within the 5 year window, the Republican Study Committee budget, which claimed to balance in the 4th fiscal year. This budget was so draconian that it only mustered the support of 133 members. And obviously it would be harder to pass such a budget if it required a three-fifths vote rather than a simple majority.

So if Congress does not take the 5 year window seriously to gradually move the budget towards balance, do we balance the budget cold turkey in the 5th year when a balanced budget amendment takes effect? Likely not because such a fiscal event would wreck havoc on the economy. Under almost all of these proposals, a three-fifths vote would then be required to pass any credible budget presented. The question then is whether a three-fifths majority is more likely to produce a fiscally responsible budget requiring career ending votes or a fiscally irresponsible budget that will help every member get reelected. And none of the proposed amendments place any limit on how far out of balance a budget can be if it gets to three-fifths. A three-fifths requirement would make an already dysfunctional budget process more so and only push the nation further into the fiscal ditch.

The evidence of such fiscal irresponsibility mustering a three-fifths vote is clear. The 2013 fiscal cliff deal, which permanently extended most of the 2001 and 2003 Bush-era tax cuts, got three-fifths despite adding \$3.9 trillion to the deficit. And most of the No votes were a result of the tax cut not being large enough.

Some of the proposals even require a two-thirds vote to spend more than a certain percentage of our Gross Domestic Product. One proposal would cap total outlays at 18 percent of GDP. Total outlays of the federal government have not been below 18 percent of GDP since the passage of Medicare, so an 18 percent cap would put immediate pressure on Congress to make deep cuts to Medicare and Social Security. Under this type of provision, which is often combined with the two-thirds requirement to raise new revenue, when Congress gets around to fixing Social Security and Medicare, it could drastically cut benefits with a simple majority, but saving these same important programs with new revenues would require a two-thirds majority in the House and the Senate. Additionally, any limit on outlays as a share of economic output would severely restrict a future Congress from responding to the needs of the nation in times of recession.

Perhaps most disturbing is that many of the proposals contain language requiring a three-fifths vote to raise the debt ceiling. This provision would institutionalize the recent drama over preventing the United States from defaulting on its obligations.

Finally, I would like to note that many of the provisions found in these proposals are not in many state balanced budget amendments. In testimony before this committee in 2011, one former governor testifying on behalf of balanced budget amendments acknowledged that none of the provisions in the proposed amendment before the committee at that time were in his state's balanced budget amendment. No three-fifths requirement to pass a budget. No two-thirds requirement to raise revenue. No three-fifths requirement to borrow money. We had been debating the title and not the provisions of the proposal before the committee.

Mr. Chairman, we shouldn't be distracted by misleading titles, but we should notice that these balanced budget amendment proposals would drastically encumber an already difficult process to responsibly reduce the deficit. Balancing the budget often requires tough, career ending votes. The provisions in these balanced budget amendments will not make such votes more likely, will make passage of responsible budgets less likely, and will only make our fiscal situation worse.